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RR/St/CS
10 Sept 63For:

Subj: Chinese credits of convertible exchange

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1. The Chinese have extended several foreign exchange credits and grants to non-bloc countries since the beginning of the Chinese economic offensive. Peiping's ability to support a foreign aid program is known to be limited, a fact admitted by the Chinese, and its relatively insignificant efforts to provide cash have merited undue acclaim.

2. Peiping by occasionally offering small amounts of cash has embarrassed the USSR which has greater resources and capabilities to make such allocations. The USSR appears reluctant to encourage financially unstable governments to seek cash credits which do not fit the philosophy the Soviet of the foreign aid program .

3. In addition to the cash extensions listed below, China has made cash credits available to the bloc - Hungary, \$57.5 million in 1956.

<u>Year</u>	<u>Country</u>	<u>Amount</u>
1956	Egypt	\$4.7
1956	Nepal	4.2
1959	Algeria	1.0 * estimate
1961	Nepal	2.1
1963	Guinea	2.8
1963	Somalia	1.5

NSA Declassification/Release
Instructions on File

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